

**THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS**

Before Commissioners: Shari Feist Albrecht, Chair
 Jay Scott Emler
 Dwight D. Keen

In the Matter of the Audit of U.S. South Communications,)
Inc. by the Kansas Universal Service Fund (KUSF))
Administrator Pursuant to K.S.A. 2016 Supp. 66-2010(b)) Docket No. 18-USIC-044-KSF
for KUSF Operating Year 20, Fiscal Year March 2016-)
February 2017.)

ORDER ADOPTING AUDIT REPORT AND CLOSING DOCKET

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and determination. Having examined its files and record, and being duly advised in the premises, the Commission finds and concludes as follows:

1. On August 1, 2017, the Commission directed GVNW Consulting, Inc. (GVNW) to perform an audit of U.S. South Communications, Inc. (U.S. South) for Kansas Universal Service Fund (KUSF) purposes.

2. On April 6, 2018, GVNW submitted its Audit Report of even date indicating its finding that U.S. South has not generated any intrastate retail revenues that are subject to the KUSF reporting requirements. U.S. South states that inasmuch as it is not generating any Kansas intrastate retail revenue subject to the KUSF, it is not required to report revenue and pay assessments to the KUSF until such time as revenue is generated.¹ The KUSF Administrator's records show that the company has not reported Kansas retail intrastate revenues to the KUSF since Operating Year 19.² GVNW indicates that whenever a company reports that it has not generated any intrastate retail revenues subject to the KUSF, an officer of the company is required

¹ Order Setting the Kansas Universal Service Fund Assessment Rate for Year Ten and Establishing Reporting Requirements, Docket No. 06-GIMT-332-GIT, January 23, 2006 (06-332 Order).

² Audit Report, page 1

to submit an affidavit attesting to that fact. GVNW states that it requested and U.S. South provided the required notarized affidavit, which is included as Attachment A to GVNW's Audit Report. The company's affidavit states that U.S. South does not have any Kansas intrastate retail revenues subject to the KUSF for the audit period and through present 2018.

3. GVNW states that it reviewed U.S. South's revenue reporting records as a further test of the company's representation that it had not generated any Kansas intrastate retail revenues and noted no discrepancies. U.S. South has remitted the required Attachment B for operating years 19 (March 2015-February 2016), 20, and 21 (March 2017-February 2018) to the KUSF Administrator. Attachment B for Operating Year 21 indicates that the company is not generating Kansas intrastate retail revenue. U.S. South is properly registered with the Kansas Secretary of State's office as a foreign limited liability company, whose status with that office is shown to be *active and in good standing*. According to GVNW, the Federal Communications Commission's (FCC) Form 499-A Database specifies that U.S. South is Toll Reseller Kansas providing service in a total of 56 states and territories. U.S. South is required to continue to file an Annual Attachment B as long as it holds a Certificate to operate in Kansas.³

4. Concluding its Audit Report, GVNW recommends that U.S. South be directed to report to the KUSF Administrator, at any point in time, that it generates intrastate retail revenues that are subject to the KUSF reporting requirements. GVNW further recommends that this docket be closed.⁴

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

A. The Commission accepts and adopts GVNW Consulting, Inc.'s Audit Report submitted April 6, 2018.

³ Id., page 2.

⁴ Ibid.

B. U.S. South Communications, Inc. is directed to report to the KUSF Administrator, at any point in time, that it generates intrastate retail revenues that are subject to the KUSF reporting requirements.

C. This docket is closed.

D. The Commission retains jurisdiction over U.S. South Communications, Inc. and the subject matter of this Docket for the purpose of issuing such additional orders as it may deem necessary.

BY THE COMMISSION IT IS SO ORDERED.

Albrecht, Chair; Emler, Commissioner; Keen, Commissioner

Dated: 04/12/2018



Lynn M. Retz
Secretary to the Commission

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CERTIFICATE OF SERVICE

18-USIC-044-KSF

I, the undersigned, certify that the true copy of the attached Order has been served to the following parties by means of

first class mail/hand delivered on 04/13/2018.

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